

# POWER AFRICA

## Leveraging Partnerships to Increase Access to Power in Sub-Saharan Africa

### U.S. Government Support Capabilities

Project Development, Project Structuring, Project Financing, Post-Financing Support and Policy Reform

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U.S. Agency for International Development — provides targeted technical assistance to advance specific country development objectives; provides program management support to Power Africa

#### Key Capabilities:

- Posted transaction Advisors in all six Power Africa countries to assist in advancing agreements between public and private partners
- Contributes to multi-donor funds such as the African Union's Geothermal Risk Mitigation Facility, the African Legal Support Facility, and the African Development Bank's Sustainable Energy Fund for Africa
- Provides technical assistance to support Mission-led energy initiatives in Power Africa countries
- Offers loan guarantees to African financial institutions — USAID's Development Credit Authority (DCA)
- Provides grant financing for projects that promote clean energy solutions within the agriculture sector

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Overseas Private Investment Corporation — supports U.S. private sector investment in emerging markets by offering capital and risk mitigation tools

#### Key Capabilities:

- Direct loans and guarantees up to \$250 million for tenures as long as 20 years on projects that meet minimum US ownership requirement
- Allocates political risk insurance; specialty coverage available for investments in the renewable resources sector
- Provides support for private equity investment funds
- Supports project development funding to clean energy ventures through the U.S.-Africa Clean Energy Finance Initiative (US-ACEF), a \$20 million initiative, co-sponsored with the U.S. State Department and Trade and Development Agency

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Export-Import Bank of the United States — assists in the financing of U.S. goods and services to international markets

#### Key Capabilities:

- Issues fixed-rate financing to credit worthy international buyers in both the private and public sector
- Provides loan guarantees for financiers of foreign buyer's in the purchase of U.S. capital equipment and services
- Support export credit Insurance to cover risk of buyer nonpayment for commercial risks (e.g., bankruptcy) and certain political risks (e.g., war or the inconvertibility of currency)

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U.S. Trade and Development Agency — provides grant-based project planning assistance to mobilize capital for infrastructure in developing and middle-income countries

#### Key Capabilities:

- Develops feasibility studies in order to provide the required comprehensive analysis for major infrastructure investments to achieve successful financing and implementation for projects
- Supports pilot projects in order to demonstrate the effectiveness of U.S. technological solutions and provides the analysis, evaluation and empirical data needed to secure funding
- Provides technical assistance to support legal and regulatory reform related to commercial activities and infrastructure development, the establishment of industry standards, and other market-opening activities
- Hosts reverse trade missions to the U.S. for overseas project sponsors to observe the design, manufacturing, demonstration and operation of American products and services which can help the officials achieve their development goals
- Provides grant-based project planning through the U.S. Africa Clean Energy Finance initiative

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U.S. Department of State — advances the political and economic dialogue on transformational energy policies through diplomacy, trade & investment promotion services, technical assistance and partnerships and bilateral programs

#### Key Capabilities:

- Conducts senior level advocacy with host governments to advance legal, regulatory, and institutional reforms that contribute to an enabling environment for trade and investment
  - Provides technical assistance to support regulatory and legal reform through the Energy Bureau's Energy Governance and Capacity Initiative (ECGI)
  - Demonstrate leadership by developing economic partnerships, including Sustainable Energy for All in Ghana
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Millennium Challenge Corporation — an independent U.S. foreign aid agency that partners with countries to fund projects that promote economic growth and reduce poverty

**Key Capabilities:**

- Awards financial support (from a few million up to \$350 million) to approved energy infrastructure projects
- Implements sector reforms, regulations, governance and utility changes in order to make the power sector more commercially viable
- Provides technical assistance and management support for ministries, regulators and utilities

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U.S. Department of Commerce — facilitates global trade and strengthens the international economic position of the United States

**Key Capabilities:**

- Identifies market barriers and expands the availability of trade financing
- Trade data and methodology to expand international sales and marketing
- Identifies of potential agents, distributors, and buyers

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U.S. Department of the Treasury — works directly with the ministries of finance, economy, and budget in target countries to advise on the macroeconomic dimensions of policy decisions, steps to improve the investment climate and financing options for infrastructure investments

**Key Capabilities:**

- Provides in-country expertise to partner governments in budget and financial accountability, government debt management and issuance, revenue policy and administration, and structuring of infrastructure investments and agreements
- Collaborates with the World Bank, African Development Bank, and International Monetary Fund to leverage policy advice, technical assistance, and lending programs to support government reform, development programs, and private investment

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U.S. Department of Energy — provides technical expertise to U.S. agencies and African governments to improve the efficiency and resilience of energy systems and reduce adverse environmental impact

**Key Capabilities:**

- Provides technical expertise supporting the development and modernization of grids in developing countries through both bilateral cooperation and multilateral initiatives, like the Clean Energy Ministerial
- Provides expertise in policy planning, energy market analysis, energy modeling, and technical analysis to incubate enabling environments that encourage private investment
- Undertakes assistance for regulatory reform (e.g., tariff design) by fostering relationships between applicable focus country agencies and U.S. regulators, including members of the National Association of Regulatory and Utility Commissioners
- Helps nurture innovative technologies developed by the DOE National Laboratories that enhance the economics of solar, wind, biomass and geothermal projects

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U.S. African Development Foundation — funds African enterprises, co-operatives and community-based organizations to build capacity and expand economic activities

**Key Capabilities:**

- Awards capacity building and expansion grants of up to \$250,000 to catalyze groups for future growth by funding technical, managerial and organizational improvements
- Provides due diligence research, project design and business planning, and monitoring and evaluation oversight
- In partnership with GE Africa, awards grants up to \$100,000 to African organizations for off-grid solutions that deploy renewable resources and stimulate economic activity

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U.S. Department of Agriculture — promotes sound policies and provides technical assistance to support national and international agriculture, energy, environmental and trade issues

**Key Capabilities:**

- Provides expertise in policy, regulatory and institutional capacity building, utility infrastructure, renewable energy and financing issues
- Provides capabilities in establishing community and business association ownership models and bid solicitation and proposal evaluation processes and standards
- Designs debt and equity financing mechanisms and develops performance based indicators
- Plans technical and managerial training for engineering and construction functions, environmental compliance, renewable and non-renewable energy sources and assistance for cooperatives

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U.S. Army Corps of Engineers — conducts engineering studies on infrastructure

**Key Capabilities:**

- Undertakes technical assistance and construction management for power generation projects, on a reimbursement basis

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**For more information on Power Africa and to learn how to get involved, visit**  
**[www.usaid.gov/powerafrica](http://www.usaid.gov/powerafrica)**